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FM AMEMBASSY KINGSTON

TO RUEHC/SECSTATE WASHDC NIACT IMMEDIATE 3767

INFO RUEHCR/AMEMBASSY ANTIGUA PRIORITY 0118

RUEHCR/AMEMBASSY BRIDGETOWN PRIORITY 3758

RUESON/AMEMBASSY GEORGETOWN PRIORITY 3075

RUEHCR/AMEMBASSY NASSAU PRIORITY 2847

RUESPR/AMEMBASSY PORT AU PRINCE PRIORITY 1430

RUEHSP/AMEMBASSY PORT OF SPAIN PRIORITY 3646

RUEHCR/AMEMBASSY PARAMARIBO PRIORITY 0315

RUEHCP/AMEMBASSY PANAMA PRIORITY 1854

RUESJO/AMEMBASSY SAN JOSE PRIORITY 0349

RUESTE/AMEMBASSY TEGUCIGALPA PRIORITY 0285

RUESAL/AMEMBASSY SAN SALVADOR PRIORITY 0196

RUESSD/AMEMBASSY SANTO DOMINGO PRIORITY 1690

RUESGT/AMEMBASSY GUATEMALA PRIORITY 0300

RUEHCR/AMEMBASSY BELIZE PRIORITY 0297

RUESMG/AMEMBASSY MANAGUA PRIORITY 0201

RUESRS/AMEMBASSY CARACAS PRIORITY 1276

RUEHOT/AMEMBASSY OTTAWA PRIORITY 0669

RUEHME/AMEMBASSY MEXICO PRIORITY 0209

RUEHLD/AMEMBASSY LONDON PRIORITY 2595

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C O N F I D E N T I A L

LIMITED OFFICIAL USE KINGSTON 1676 COMBINED SECTION

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State Dept. review completed

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E.O. 12065: NA

TAGS: XL, JM, US, EGEN, EAID, ETRD

SUBJECT: PRIME MINISTER SEAGA CALLS THE CARIBBEAN BASIN INITIATIVE
(CBI) A HISTORIC FAR-REACHING CONCEPT

REF: KINGSTON 1643 (NOTAL)

1. (U) SUMMARY: IN A STATEMENT ISSUED BY JAMAICA HOUSE SHORTLY AFTER THE PRESIDENT'S ADDRESS TO THE OAS ON FEBRUARY 24, PRIME MINISTER SEAGA SAID THAT CBI IS A "BOLD, HISTORIC AND FAR-REACHING CONCEPT." HE CALLED THE INITIATIVE A "SERIOUS ATTEMPT BY WASHINGTON TO ADDRESS THE REAL ECONOMIC PROBLEMS OF THE REGION." THE PRIME MINISTER EXPRESSED THE HOPE THAT THE CBI WOULD STIMULATE FURTHER RESPONSES FROM OTHER INDUSTRIALIZED COUNTRIES. MR. SEAGA HAS ALSO CONTACTED SEVERAL CARIBBEAN LEADERS TO URGE THEIR SUPPORT FOR THE INITIATIVE AND PLANS A PRESS CONFERENCE TO DISCUSS ITS IMPLICATION FOR JAMAICA.

2. (LOU) PRIME MINISTER SEAGA TOLD THE DCM ON FEB. 24 THAT HE WAS HIGHLY PLEASED WITH THE PRESIDENT'S SPEECH ON THE CBI. HE HAD ALREADY CALLED LEADERS IN ANTIGUA TO DISCUSS THE VERY POSITIVE ELEMENTS OF THE CBI AND AS THE LEADER OF THE ORGANIZATION OF EAST CARIBBEAN STATES, TO URGE ANTIGUA TO SEEK OECS SUPPORT FOR THE INITIATIVE. MR. SEAGA ALSO PLANS TO CALL PRIME MINISTER ADAMS OF BARBADOS ALSO TO URGE HIS SUPPORT.

3. (U) PRIME MINISTER SEAGA ISSUED THE FOLLOWING STATEMENT COMMENTING ON THE PRESIDENT'S STATEMENT ON THE CBI: BEGIN TEXT:

THE PROPOSALS OF THE CARIBBEAN BASIN INITIATIVE OUTLINED BY PRESIDENT REAGAN TODAY AT THE O.A.S. IN WASHINGTON ARE BOLD, HISTORIC AND FAR-REACHING IN CONCEPT, ESPECIALLY IN THE STIMULATION OF TRADE AND INVESTMENT. IN PARTICULAR, THE ONE-WAY FREE TRADE AREA INCENTIVE - NEVER BEFORE OFFERED TO ANY OTHER REGION BY THE UNITED STATES - WILL ALLOW DUTY-FREE ENTRY OF CARIBBEAN EXPORTS TO THE UNITED STATES, AN ATTRACTION WHICH COULD MAGNETIZE THE CARIBBEAN AS A MAJOR NEW PRODUCTION CENTRE, GENERATING STRONG GROWTH AND EMPLOYMENT.

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THE CARIBBEAN BASIN INITIATIVE AS A PROGRAMME TO STIMULATE ECONOMIC INVESTMENT IS A POSITIVE MECHANISM DIFFERING ONLY IN THE DEGREE OF IMPACT FROM COUNTRY TO COUNTRY. THOSE COUNTRIES WHICH HAVE THE RIGHT INVESTMENT CLIMATE AND DOMESTIC POLICIES TO ENCOURAGE BOUYANCY IN THE PRIVATE PRODUCTIVE SECTOR WILL OBVIOUSLY BENEFIT MOST.

THE NEW POLICY PRONOUNCEMENTS OF THE CARIBBEAN BASIN INITIATIVE OUTLINED BY PRESIDENT REAGAN ARE A SERIOUS ATTEMPT BY WASHINGTON TO ADDRESS THE REAL ECONOMIC PROBLEMS OF THE REGION AND ARE PARTICULARLY WELCOME BECAUSE THIS FAR-RACHING PROGRAMME INCLUDES RECOGNITION OF THE NEED FOR INCREASED TRAINING TO GO HAND IN HAND WITH ECONOMIC INCENTIVES. I AM PERSONALLY PLEASED THAT RECOGNITION OF THE VITAL ROLE OF THE HUMAN ELEMENT IN THIS EQUATION INCLUDES THE ACTIVITIES OF THE PEACE CORPS.

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VENEZUELA AND MEXICO HAVE ALREADY EXTENDED GENEROUS OIL CREDITS TO SOME COUNTRIES IN THE REGION AND CANADA HAS ANNOUNCED A DOUBLING OF ITS AID PROGRAMMES TO THE CARIBBEAN. NONETHELESS IT IS HOPE THAT THE CARIBBEAN BASIN INITIATIVE PROPOSALS WILL STIMULATE FURTHER RESONSES FROM OTHER INDUSTRIALIZED COUNTRIES. THIS WOULD BE PARTICULARLY MEANINGFUL IN ADDITIONAL AID FLOWS TO IMPROVE INFRASTRUCTURE TO BOOST THE AREA OF ASSISTANCE IN WHICH THE CARIBBEAN BASIN INITIATIVE IS LEAST POSITIVE. END TEXT.

4. (LOU) COMMENT. THE PRIME MINISTER'S STATEMENT HAS BEEN RELEASED TO NATIONAL AND INTERNATIONAL MEDIA. JAMAICA'S PRESS OFFICE IN NEW YORK HAS REPORTEDLY BEEN DELUGED WITH CALLS. MR. SEAGA WAS SO PLEASED WITH THE PRESIDENT'S STATEMENT THAT HE HAS ASKED JBC TV TO RUN AGAIN THE FULL STATEMENT THE EVENING OF FEB. 24. HE ALSO PLANS TO HOLD A PRESS CONFERENCE HERE ON FRIDAY MORNING, FEB. 26 TO DISCUSS THE IMPLICATIONS OF THE CBI FOR JAMAICA. JAMAICA PRESS OFFICERS SAID THAT MR. SEAGA WAS ESPECIALLY PLEASED WITH THE PRESIDENT'S CITATION OF JAMAICA AS "WORKING FOR FREE-
DOM". THE PRIME MINISTER WANTS TO USE THIS SLOGAN. END COMMENT.

5. (LOU) OTHER KEY JAMAICAN OFFICIALS HAVE ALSO BEEN ENTHU-

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SIASTIC ABOUT THE CBI. TOP MINISTRY OF FOREIGN AFFAIRS OFFICIALS, FOR
EXAMPLE, HAVE ALSO DESCRIBED THE CBI TO EMBOFFS AS A BOLD INITIATIVE
THAT MEETS CARIBBEAN EXPECTATIONS. DIRECTOR OF THE NATIONAL,
PLANNING AGENCY, HEADLEY BROWN, HELD SIMILAR POSITIVE VIEWS.
LAWRENCE

END OF MESSAGE

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